



California Fair Political Practices Commission

May 16, 1986

Jim Warren
345 Swett Road
Woodside, CA 94062

Re: FPPC No. A-86-120

Dear Mr. Warren:

This is in response to your letter dated April 7, 1986, which requests advice regarding the campaign disclosure provisions of the Political Reform Act (Government Code Sections 81000-91015).

As a candidate for San Mateo County Supervisor, you have asked how to report costs of producing and distributing your newspaper, the Peninsula Citizens' Advocate, which will contain articles favorable to your candidacy as well as articles of general interest. During our telephone conversation of May 9, 1986, you indicated that you are the newspaper's sole proprietor and that you established the newspaper in 1984 but had not published the paper for almost two years until you decided to become a candidate for Supervisor. You then revived it as a "tool for supporting (your) candidacy."

The Act's campaign disclosure provisions (Sections 84100-84400) require that candidates disclose all contributions received and expenditures made. FPPC regulations 2 Cal. Adm. Code Sections 18215 and 18225 (copies enclosed) further define the terms "contribution" and "expenditure," respectively. Section 18225(a) states:

An expenditure is any monetary or nonmonetary payment made for political purposes. A payment is made for political purposes if it is:

(2) Made by:

(A) A candidate, unless it is clear from surrounding circumstances that the payment was made for personal purposes unrelated to his or her candidacy or status as an officeholder...

Because the Advocate is currently being published solely as a means of supporting your candidacy, all costs incurred in connection with its publication and distribution must be reported on your campaign disclosure reports (Form 430), first as a contribution from you on Schedule A and then as an expenditure on Schedule E.

During our telephone conversation, you also mentioned that the central issue of your candidacy is opposition to a ballot measure which is being voted upon in the county. You asked whether costs incurred in connection with printing articles in the Advocate opposing the ballot measure should be separately allocated or reported. Because opposition to the measure is the central theme of your candidacy, and because candidates and officeholders are expected to express views on important issues affecting the community, no separate allocation is necessary with respect to articles opposing the measure which are published in the Advocate.

Your letter also asks whether payments from businesses which may purchase advertising in the Advocate are reportable on your campaign disclosure reports. Because all costs of publishing and distributing the newspaper are reportable as campaign expenditures, the payments received for advertising must also be reported. If the advertisers receive full and adequate consideration for their payments, i.e., based upon the going rate for advertisements in similar types of publications distributed in the area, they pay the fair market value for advertisements published in the Advocate,* you should report the receipts as a miscellaneous increase to cash on Schedule G of the Form 430. However, if the advertisers pay more than the fair market value or if the advertisements expressly advocate your election, you must report the payments as contributions on Schedule A.

You have also asked some general questions with respect to articles printed in a regularly published newspaper if the newspaper's editor or publisher becomes a candidate, and with respect to articles printed in a newspaper published by a labor organization. Regulation Section 18215(a)(2) states that any payment for political purposes which is "received by or made at the behest of" a candidate is reportable as a "contribution." With respect to payments which are not made "at the behest of" a candidate or committee, subsection (b)(4) (beginning on page 4) of regulation Section 18225 excludes from definition of "expenditure"

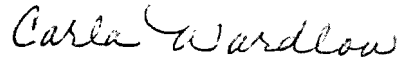
*/ See, Burciaga Opinion, 2 FPFC Ops. 17 (No. 75-161, February 3, 1976)--copy enclosed.

Jim Warren
May 16, 1986
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costs incurred by a "regularly published newspaper...which routinely carries news, articles and commentary of general interest," and costs incurred by a "regularly published newsletter...whose circulation is limited to an organization's members, employees, shareholders, other affiliated individuals and those who request or purchase the publication" as long as the newsletter is not issued on other than its regular schedule, expanded in circulation, or substantially altered in style, size or format. These provisions are not applicable to your situation.

I hope the foregoing is helpful. Please call me at (916) 322-5662 if you have additional questions.

Sincerely,



Carla Wardlow
Political Reform Consultant

CW:kt

Enclosure

Jim Warren

(415)851-7075

345 Swett Road, Woodside, CA 94062

APR 14 8 43 AM '86

86 Mar 18

86 APR 7

San Mateo County Clerk
County Government Center
Redwood City, CA 94063

FPPC
Box 807

SACTO CA 95804

PLEASE SEE "A" BELOW
& 199ACMG

Greetings,

I would appreciate written verification of the following information/rulings, received verbally:

1. [from Patrick McNally of your office]

From my own, personal funds, I am permitted to spend as much as I wish on my own campaign for the elected position of San Mateo County 3rd District Supervisor.

From my own, personal funds, I am permitted to lend as much as I wish to my own campaign for that office.

As I understand it, much of the rationale applicable in this ruling is that the \$500 county supervisor campaign limit was to limit outside special interests from exercising undue influence over supervisors — and I will obviously not unreasonably influence myself. (Of course, some folks might question the association of "reason" with my name, but that's a different issue.)

2. [from Donna Donigan of your office]

Since I am not going to form an official committee, and since I am going to personally control my own campaign collections, deposits, record-keeping, and expenses (act as "Treasurer"? and have opened a bank account in the name of "Jim Warren for County Supervisor" with my own social security number on it), I am not required to file a Form 410 with the Secretary of State.

Of course, I will file complete all parts of Form 430 campaign disclosure statements detailing all contributions (A), loans received (B), non-monetary contributions (C), pledges (D), payments (E), loans made (EE), unpaid bills (F), and miscellaneous adjustments (G). This will include complete accounting of what I loan my own campaign. It will also account for the all funds collected — every penny of which will be spent exclusively on clearly identifiable political action expenses.

I have additional, challenging questions (I'm sorry; I didn't set the rules; I just need an interpretation of how they apply to this effort to have an *informed* electorate):

I plan to publish an issue of my *Peninsula Citizens' Advocate* newspaper (yup — my name and address will be on the outside of it in at least 6-point type). It existed long before this political campaign; I have hopes that it will exist long after the campaign.

Let me give you a related problem: What "campaign disclosures" would be required of, say, the *Peninsula Times-Tribune* if its Editor or Publisher ran for elective office?

!!!! An even more closely-related analogy is *San Mateo County Labor*, the newspaper "owned, controlled and published by San Mateo County Central Labor Council." For instance, its Oct. 1, 1985, front page was exclusively concerned with political advocacy. Do you or the state require that all — or part — of its production and distribution costs be reported as political action?

Part of my *Advocate's* contents will directly report on my record and Anna's record. Part of it will concern county issues. Part of it will concern college district issues and programs. Part of it will concern the Open Space District, over which the county has little or no authority (no matter how much it would like to). Part of it will have to do with campaigns and issues beyond the Board of Supervisors' control. And, part of it will have nothing at all to do with politics or the county (e.g. an article on weight loss programs). *How should I allocate the costs of producing and distributing this newspaper?*

It's even worse: I have minor hopes of finding some businesses interested in advertising their services and products in the *Advocate*. To the extent that these advertisements have nothing to do with the county nor my candidacy, *should I report part or all of their payments as campaign income?*

I'm honestly sorry to be causing you this hassle, but I need a ruling to follow in my campaign reporting — and would appreciate also receiving its legal basis.

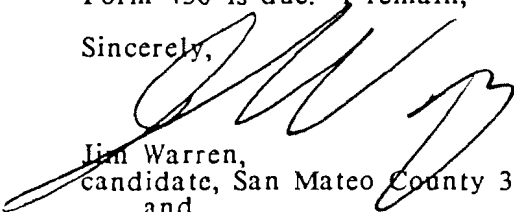
Some possibilities include (a) report the *Advocate's* entire costs and/or advertising income as

campaign expenses, even though some of its contents and advertising have nothing to do with politics (b) prorate its costs to the campaign on the basis of column-inches dedicated to anything related to county authority, or (c) prorate its costs to the campaign on the basis only of column-inches directly concerning Anna and me. There are obviously other possible variations.

What does the county or the state require of the *San Mateo County Labor* newspaper? That may be the closest model to what I am doing.

Thanking you for your attention to this request, I look forward to a ruling before the 3/18-5/17 Form 430 is due. I remain,

Sincerely,



Jim Warren,
candidate, San Mateo County 3rd District Supervisor
and
Editor & Publisher, *Peninsula Citizens' Advocate*

cc: California Secretary of State
Fair Political Practices Commission

OFFICE OF THE COUNTY CLERK-RECORDER
and Administrative Clerk of the Superior Court



MARVIN CHURCH
COUNTY CLERK-RECORDER

COUNTY OF SAN MATEO

HALL OF JUSTICE AND RECORDS · REDWOOD CITY · CALIFORNIA 94063-0964

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(415) 363 4711

March 28, 1986

Mr. Jim Warren
345 Swett Road
Woodside, CA 94062

Dear Mr. Warren:

Thank you for your letter of March 18, 1986. In response to your first question, we direct your attention to the enclosed ordinance entitled "Ordinance No. 2446". The assumptions you have indicated under #1 are correct.

Regarding your second question, Form 410 is required when you create a committee and raise or spend over \$500. We confirmed with Carla Wardlow at the FPPC Office that under the circumstances you described, where no committee is established, Form 410 is not required. For your information, we are enclosing the 1986 information manual from the Fair Political Practices Commission (FPPC) in which you will find all of the guidelines for campaign disclosures.

Regarding the paper you publish, you should report the actual cost and value of your campaign for supervisor and the related costs of the papers involvement. If you need further detail clarification, we would suggest you write the Fair Political Practices Commission, P. O. Box 807, Sacramento, CA 95804.

We hope that this information will assist you.

Sincerely,

Marvin Church, County Clerk-Recorder

A handwritten signature in cursive script that reads "Patrick McNally".
Patrick McNally
District Elections Coordinator

MC:rv
Enclosure



California Fair Political Practices Commission

April 17, 1986

Jim Warren
345 Swett Road
Woodside, CA 94062

Re: 86-120

Dear Mr. Warren:

Your letter requesting advice under the Political Reform Act has been received by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact the Technical Assistance and Analysis Division at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or unless more information is needed to answer your request, you should expect a response within 21 working days.

Very truly yours,

Jeanne Pritchard
Jeanne Pritchard
Chief
Technical Assistance and Analysis
Division

JP:plh